



Remarks Prepared For Delivery

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Administrator (A)  
U.S. Small Business Administration

Delivered At The

**OHIO BUSINESS DEVELOPMENT MEETINGS**

Miami Valley Regional Planning Commission Building  
Dayton, OH  
June 29  
9:00 AM

Wilmington College  
Clinton County, OH  
June 29  
1:30 PM

I'm very happy to be here to tell you how the Small Business Administration is helping Ohio's entrepreneurs make their small business visions a reality.

I'd like to thank Congressman Turner for convening these meetings.

I understand that these are challenging economic times, and that has had a big impact on states like Ohio.

We are looking at these economic challenges very seriously. In fact, this summer we will be hosting a series of seven economic forums to examine the current economic status in regions across the Midwest. The first forum will be in Cleveland on July 7; a forum will be held in Columbus in early August.

SBA will invite senior economists from the Federal Reserve, state government, academia, and the private sector. The information that comes out of these forums will be rolled up at a conference in Detroit. And we will use this information to ensure that our products and services are designed to support state's economic policies and work in concert with what other federal agencies are doing in order to address the current need.

Today, I'm going to tell you about some of the many vital products and services SBA provides. We are committed to enabling small businesses to start, grow, and create new jobs and opportunities for Ohio.

SBA has helped millions of small entrepreneurs start or grow their small business. This is a vital service for those entrepreneurs, and it also makes vital contributions to our economy.

The SBA is deeply committed to something that is extremely important for all of you as well: enabling economic growth.

And when we talk about economic growth in the United States, we need to talk about small business.

So I would like to begin by saying a few words about the importance of small businesses to our economy.

### **Importance of small business**

Across the country, small businesses are a vital to our economy.

Nationally, small firms:

- Employ half of the private sector work force – and this is true in Ohio as well
- Create between 60 and 80 percent of new jobs every year
- Account for about half of our nonfarm GDP
- Account for about thirty percent of all exports
- And are major drivers of innovation.

Small firms are also a big reason that we have an economy that regenerates, that is flexible, and that can adapt.

Small businesses across the country are the pillars of their communities. And small businesses make up the economic foundation of our economy. I think there's something inherently entrepreneurial about America – it's a spirit that is programmed into our DNA.

And SBA is a critical resource to enabling their success.

### **SBA Overview**

The SBA has helped launch many of America's best known corporate icons. Companies like Intel, AOL, Outback Steakhouse, Apple, Amgen, Ben & Jerry's, Callaway Golf, Staples, NIKE and FedEx all received support from the SBA along the way.

Many of you are probably familiar with some of the services that SBA provides. For one, we are the federal government's primary vehicle for

post-disaster recovery, providing loans that help families rebuild their homes, businesses, and communities.

Let me say that we had staff on the ground right away to respond to the needs of those affected by the recent flooding. We are committed to providing fast, professional service so that those hit by the flooding can get the recovery loans they need to rebuild.

And we also help enable America's small businesses in three important ways.

First, we guaranty loans to help private lenders extend capital to entrepreneurs who might not fit into the lender's traditional credit standards. The SBA guaranty helps entrepreneurs obtain the capital they need to start and grow their business, and to create jobs and drive economic growth.

Second, SBA and our resource partners SCORE, Small Business Development Centers, and Women's Business Centers, provide counseling and technical assistance to entrepreneurs. We provide this service face-to-face, at one of our 68 SBA District Offices or one of the 1,500 resource partner offices nationwide, and also online.

Finally, we help small businesses compete for federal contracts. Federal procurement dollars are a great way to invigorate entrepreneurship, and SBA works with other federal agencies to help them meet their goals for small business procurement.

### **Access to Capital**

The SBA generally doesn't make loans. The only time we do make loans, it's in response to a disaster. Usually, we work with private lending institutions – credit unions, banks, community development companies – which make loans. We simply provide credit enhancement in the form of a government-backed guarantee to the lender, so that they are able to stretch farther and make loans that they regard as too risky to make otherwise.

This financial assistance can be used for a wide variety of business purposes, including start-up, expansion, equipment purchases, working capital, inventory, and real-estate purchases without overwhelming entrepreneurs with high interest rates or unaffordable terms. Depending on the program and the loan amount, we offer guarantees up to 85 percent on loans up to \$2 million.

In recent years, we've expanded our efforts to reach more businesses. And, it appears our work is paying off. Since 2002, our loan volume has doubled to around 100,000 approved loans in fiscal 2007. Those approved loans have a value of more than \$20 billion. Our overall portfolio has a value of more than \$75 billion.

And SBA's lending programs are vital for Ohio small businesses. Last fiscal year, we approved more than \$330 million in loans overseen by our Columbus District Office – and that includes more than \$40 million here in Ohio's third district.

We've also rolled out new lending products to help us better target certain markets. In June, we launched a lending initiative specifically designed for veterans and our military community. The new loan, called Patriot Express, features our most attractive guaranty.

Patriot Express is off to a fast start; since its launch one year ago, we have approved more than 1,500 loans for more than \$81 million. This is impressive, and only a part of what the SBA does for veterans. We approved more than \$1 billion we approved in the last fiscal year for veteran owned small businesses.

In these new initiatives, as in all of our loan programs, interest rates are determined by the lending institutions. The lenders profit from these loans – otherwise there wouldn't be any incentive for them to work with us. But the interest rates are regulated, because we are not interested in saddling borrowers with overly burdensome interest rates.

SBA fills a critical role by enabling private sector lenders to make loans they otherwise would not be able to make. Our programs help entrepreneurs with mixed or limited credit histories – or who don't fit the lender's conventional credit standards – obtain the funding needed to get their businesses up-and-running.

### **Counseling and Technical Assistance**

In addition to helping get capital into the hands of entrepreneurs, we support them through educational programs and a network of independent partners to help our entrepreneurs confront the challenges that face small businesses.

Our network of partners includes Small Business Development Centers, Women's Business Centers, and SCORE. There is a handout that details the local resources available to you.

And, of course, our District Offices and field staff, which are a great portal to counseling resources and all SBA products. Tom Mueller, our Columbus District Director, is here today.

Last year more than 1 million entrepreneurs received technical assistance and business counseling through one or more training programs offered by the agency or our partners.

More than 24,000 of those were entrepreneurs here in central and southern Ohio.

And we have several important outreach and matchmaking events. Our Columbus District Office, working with the Columbus and Dayton Urban Leagues, is hosting a series of seminars to teach entrepreneurs how to start and grow their small business.

In March, our District Office held a matchmaking event in Dayton that brought in more than 700 businesses and 120 buyers.

We offer a wide range of educational topics, including marketing, writing a business plan, and starting exports. And, we have a large network of business executives and retirees who volunteer their time and offer specialized support to help start-up companies and businesses achieve their expansion goals.

We supplement this face-to-face counseling with an extensive online presence. We have invested in online training and assessments through the Small Business Training Network, to give entrepreneurs the tools they need to get started on the right foot and evaluate their fit for SBA programs and services. These tools and classes are available through our website, [sba.gov](http://sba.gov). More than 1,000 entrepreneurs are using it every day, and we will continue to add new courses and tools in 2008.

Many of our resource partners also have innovative online counseling. SCORE, for example, offers 24/7 online counseling at [SCORE.org](http://SCORE.org) through a database of more than 1,400 cyber counseling and over 800 skill sets by industry and business functionality - with a 48 hour response time. SCORE also offers 29 online training workshops from business plan preparation to marketing and a full range in between.

This educational arm of the SBA is invaluable. Our goal is not simply to get money into the hands of entrepreneurs. Of course, capital is tremendously important. But, we are working to enable entrepreneurial success, and frequently this entails helping small business owners learn some of the skills they need to run their business, but might not have.

Certainly private institutions provide a wide-range of support services – from online classes to books – and these are all fine. But the SBA is able to do something different. Because we work with such a large and distinguished network of partners, we have the ability to offer face-to-face, personalized advice that can be put to use immediately. That customization to the individual businessperson's needs is a critical part of our technical assistance success.

## **GCBD**

Finally, the SBA helps small businesses secure their share of federal contracts. As the largest purchaser of goods and services in the world, the U.S. government spent \$340 billion in fiscal 2006, the most recent year for which we have data. Of that, around \$80 billion went to small businesses.

SBA works with other federal agencies to help them meet their small business procurement goals, but we also assist small businesses that are interested in selling goods and services to the government. SBA offers an on-line procurement training course on how to access government contracts and subcontracts.

SBA also has a nine-year business development program for disadvantaged businesses. This program, called the 8(a) program helps small firms learn the skills they need to succeed in their business endeavors, including government contracting. Companies can access a self-assessment tool on our website to see if they qualify for the 8(a) program.

## **Conclusion**

Ohio's entrepreneurs – and your Ohio's economy – can benefit from the products and services that SBA provides.

The bottom line here is that SBA provides a wealth of resources for Ohio's entrepreneurs. This is good for small business, and small business is good for Ohio's economy.

Thank you again for giving me the opportunity to share some of the great things that SBA can do for Ohio's small businesses.